



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

SEP 18 2014

REPLY TO THE ATTENTION OF:

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Bert Passalacqua  
Maintenance and Environmental Engineer  
NLMK Indiana  
6500 South Boundary Road  
Portage, Indiana 46368

Re: Notice and Finding of Violation  
NLMK Indiana  
Portage, Indiana

Dear Mr. Passalacqua:

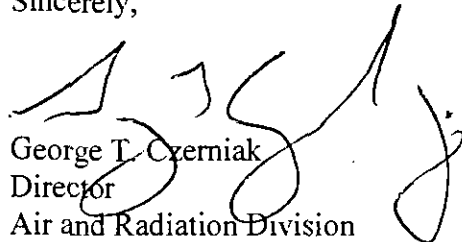
The U.S. Environmental Protection Agency is issuing the enclosed Notice and Finding of Violation (NOV/FOV) to NLMK Indiana (you) under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. § 7413(a)(1). We find that you have violated the Standards of Performance for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983 ("NSPS AAa"), set forth at 40 C.F.R. § 60.270a *et seq.* and your Title V permit, at your Portage, Indiana facility.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the NOV/FOV prior to the conference date. Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contacts in this matter are Reza Bagherian and Patrick Miller. You may call them at (312) 886-0674 and (312) 886-4044, respectively, to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,



George T. Czerniak  
Director  
Air and Radiation Division

Enclosure

cc: Phil Perry  
Chief, Air Compliance and Enforcement Branch  
Indiana Department of Environmental Management  
100 North Avenue ICGN 1003  
Indianapolis, Indiana 46204

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:**

**NLMK Indiana  
Portage, Indiana**

Proceedings Pursuant to  
the Clean Air Act  
42 U.S.C. § 7401 *et seq.*

)  
)  
) **NOTICE OF VIOLATION and  
FINDING OF VIOLATION**  
)  
)

) **EPA-5-2014-IN-06**  
)  
)  
)

**NOTICE AND FINDING OF VIOLATION**

NLMK Indiana (you or NLMK) owns and operates a specialty steel-producing facility located at 6500 South Boundary Road, Portage, Indiana (facility). According to NLMK's Title V operating permit, it operates, among other things, an electric arc furnace (EAF) identified as EAF #7, and an EAF shop, which is the building that houses EAF #7 at the facility.

The U.S. Environmental Protection Agency is sending this Notice and Finding of Violation (NOV/FOV or Notice) to notify NLMK that you have violated the visible emissions limits at your facility's EAF shop specified in your Title V permit and the Standards of Performance for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983 ("NSPS AAa"), set forth at 40 C.F.R. § 60.270a *et seq.* Additionally, you have violated the monitoring and recordkeeping requirements pertaining to visible emissions from the EAF shop. Violations of the opacity emissions limit, monitoring and recordkeeping requirements constitute violations of the Clean Air Act (the Act or CAA).

**STATUTORY AND REGULATORY BACKGROUND**

1. Under Section 111 of the Act, 42 U.S.C. § 7411, the Administrator promulgated the New Source Performance Standards ("NSPS") General Provisions, at 40 C.F.R. Part 60, Subpart A, and the Standards of Performance for Steel Plants: Electric Arc Furnaces and Argon-Oxygen Decarburization Vessels Constructed After August 17, 1983 (NSPS Subpart AAa), set forth at 40 C.F.R. § 60.270a *et seq.* NSPS Subpart AAa applies to each EAF constructed, modified or reconstructed after August 17, 1983.
2. 40 C.F.R. § 60.272a(a)(3) provides that no owner or operator subject to the provisions of this subpart shall cause to be discharged into the atmosphere from a melt shop and, due solely to operations of any EAF, 6 percent opacity or greater.

3. 40 C.F.R. § 60.273a(d) provides, among other things, that a furnace static pressure monitoring device is not required on any EAF equipped with a direct-shell evacuation control system ("DEC") if observations of shop opacity are performed by a certified visible emission observer at least once per day when the furnace is operating in the meltdown and refining period in accordance with 40 C.F.R. Part 60, Appendix A, Method 9 (Method 9).
4. Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), authorizes the Administrator to initiate an enforcement action whenever, among other things, the Administrator finds that any person has violated or is in violation of a requirement or prohibition of Title V of the CAA, or any rule promulgated issued or approved under Title V of the CAA.
5. Section 502(a) of the Act, 42 U.S.C. § 7661a(a), and 40 C.F.R. § 70.7(b) provide that, after the effective date of any Title V permit program approved by EPA, no source subject to Title V may operate except in compliance with a Title V permit.
6. EPA granted full approval to the Indiana Title V operating permit program on December 4, 2001. 66 Fed. Reg. 629469.
7. The regulation at 40 C.F.R. § 70.6(b)(1) specifies that all terms and conditions in a permit issued under a Part 70 program, including any provisions designed to limit a source's potential to emit, are enforceable by EPA under the Act.
8. The Indiana Department of Environmental Management (IDEM) issued Title V Operating Permit No. T127-27948-00036 to NLMK for the facility, ID No. 127-00036, on October 2, 2009. IDEM approved an administrative amendment to the Title V operating permit on September 21, 2011.
9. Condition D.1.7(a) of NLMK's Title V operating permit states that the permittee shall not cause to be discharged into the atmosphere visible emissions from any building opening as a result of EAF operation that exceed 3% opacity based on a six-minute average.
10. Condition D.1.13(c)(1) of NLMK's Title V operating permit states that, whenever the continuous opacity monitoring system (COMS) is malfunctioning or is down for maintenance or repairs, the permittee shall provide a certified opacity reader and that visible emission readings shall be performed in accordance with Method 9.
11. Condition D.1.13(c)(2) of NLMK's Title V operating permit states Method 9 readings shall be conducted at least twice per day during daylight operations, with at least four hours between each set of readings, until a COMS is online.
12. Condition D.1.13(d)(1) of NLMK's Title V operating permit states that shop opacity observations shall be conducted at least once per day when the furnace is operating in the meltdown and refining period.

13. Condition D.1.13(d)(2) states that shop opacity shall be determined as the arithmetic average of 24 consecutive 15-second opacity observations of emissions from the shop taken in accordance with Method 9.
14. Condition E.1.2(c) of NLMK's Title V operating permit states that the permittee shall comply with the provisions of 40 C.F.R. § 60.272a; specifically, the permittee shall not cause to be discharged into the atmosphere gases from the EAF which exit from the shop and, due solely to the operations of any affected EAF or Argon-Oxygen Decarburization vessel(s), exhibit 6 percent opacity or greater, as a six-minute average.
15. Condition E.1.2(f) of NLMK's Title V operating permit states that the permittee shall comply with the provisions of 40 C.F.R. § 60.273a(d); the permittee shall, among other things, conduct visible emission observations of shop opacity at least once per day in accordance with Method 9.

#### **EXPLANATION OF VIOLATIONS**

16. On May 13, 2014, EPA representatives inspected the NLMK facility located in Portage, Indiana, and conducted Method 9 visible emissions observations at the EAF shop.
17. Based on EPA's observations of the visible emissions measured at the EAF shop, the following exceedances of the visible emissions limits were recorded at the facility:

<b>Date</b>	<b>Time</b>	<b>Six-Minute Average Percent Opacity</b>
May 13, 2014	10:41am – 10:46 am	18%
May 13, 2014	10:47 am - 10:52 am	10%
May 13, 2014	10:53 am - 10:58 am	17%
May 13, 2014	10:59 am - 11:05 am	12%

18. NLMK's excess visible emissions from the EAF shop are violations of the opacity limits in Condition D.1.7(a) of its Title V permit and 40 C.F.R. § 60.272a(a)(3).
19. On June 27, 2014, EPA issued a request for information pursuant to Section 114 of the CAA, 42 U.S.C. § 7414.
20. On July 11, 2014, NLMK submitted a response to EPA's request for information.

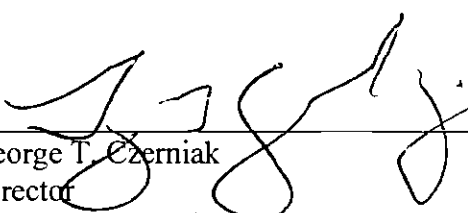
21. Based on the information provided by NLMK, NLMK failed to determine EAF shop opacity in accordance with Method 9 requirements when the COMS was malfunctioning or was down for maintenance or repairs on 20 instances between January 21, 2014 and February 12, 2014.
22. NLMK's failure to determine EAF shop opacity in accordance with Method 9 requirements when the COMS was malfunctioning or was down for maintenance or repairs is a violation of Condition D.1.13(c)(1) of its Title V operating permit.
23. Based on the information provided by NLMK, NLMK failed to conduct Method 9 readings when the COMS was malfunctioning or was down for maintenance or repairs with at least 4 hours between each set of readings on at least 3 occasions between January 21, 2014 and February 12, 2014.
24. NLMK's failure to conduct Method 9 readings when the COMS was malfunctioning or was down for maintenance or repairs with at least 4 hours between each set of readings is a violation of Title V operating permit Condition D.1.13(c)(2).
25. Based on the information provided by NLMK, NLMK failed to conduct EAF shop opacity observations at least once per day when the furnace was operating in the meltdown and refining period on 73 instances between January 1, 2013 and December 31, 2013.
26. NLMK's failure to conduct shop opacity observations at least once per day when the furnace was operating in the meltdown and refining is a violation of its Title V permit Conditions D.1.13(d)(1) and E.1.2(f) and 40 C.F.R. § 60.273a(d).
27. Based on the information provided by NLMK, NLMK failed to determine EAF shop opacity in accordance with Method 9 requirements on 383 occasions between January 1, 2013 and May 31, 2014.
28. NLMK's failure to determine EAF shop opacity in accordance with Method 9 requirements is a violation of its Title V permit Conditions D.1.13(d)(2) and E.1.2(f) and 40 C.F.R. § 60.273a(d).

## ENVIRONMENTAL IMPACT OF VIOLATIONS

29. Violation of the opacity standards increases public exposure to unhealthy particulate matter. Particulate matter, especially fine particulate, contributes to respiratory problems, lung damage and premature deaths.

Date

3/18/14

  
George T. Czerniak  
Director  
Air and Radiation Division

### CERTIFICATE OF MAILING

I, Loretta Shaffer, certify that I sent a Notice and Finding of Violation, No. EPA-5-14-IN-06, by Certified Mail, Return Receipt Requested, to:

Bert Passalacqua  
Maintenance and Environmental Engineer  
NLMK Indiana  
6500 South Boundary Road  
Portage, Indiana 46368

I also certify that I sent copies of the Notice of Violation and Finding of Violation by first-class mail to:

Phil Perry  
Chief, Air Compliance and Enforcement Branch  
Indiana Department of Environmental Management  
100 North Senate Avenue ICGN 1003  
Indianapolis, Indiana, 46204

On the 22 day of September 2014.



Loretta Shaffer  
Program Technician  
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7676 2250